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IBH ANNOUNCES A GROUP OF RESOLUTIONS

CARACAS, AUGUST 22, 2005. International Briquettes Holding ("IBH") announced that, in connection with the merger of Venprecar and Orinoco Iron C.A., which is expected to become effective on August 27, 2005, a series of resolutions were adopted on August 18, 2005. The result of these resolutions includes a recapitalization of Orinoco Iron and the reduction of the net financial debt by US\$ 477 million.

A summary of the main resolutions follows:

1. Set-off of restricted assets of US\$ 441.3 million consisting of US\$66 million of bank loans, and US\$ 375.3 million of debt to the senior lenders¹.
2. Neutralization of Long Term Loans with Financial Institutions and Loans assigned by BHP to the Senior Lenders, in the amounts of US\$459.8 million and US\$17.2 million, respectively, through a contribution pending for capitalization to be used to set off the accumulated losses of Orinoco Iron, C.A..
3. Increase of 9.86% in IBH's beneficial ownership of Orinoco Iron C.A., and decrease of 23.17% in IBH's beneficial ownership of Venprecar, resulting in IBH's beneficial ownership of IBH in Orinoco Iron, C.A. and Venprecar being 60.86% and 74.67%, respectively.

As a result of the above, the bank debt of Orinoco Iron, C.A. was reduced to approximately US\$ 311 million.

¹ Information related to this procedure was advanced in the quarterly financial reports of IBH published in April and July 2005. The restricted assets are amounts related to account receivables of Orinoco Iron and Venprecar which the banks foreclosed due to the default situation of Orinoco Iron on its financing agreements.

Merger:

As it has been previously informed, a merger between Venprecar and Orinoco Iron, C.A., is expected to be effective on August 27th. Once the merger is verified, the surviving entity, Venprecar, will be owned 67% by IBH.

Among the benefits of the merger, Venprecar will obtain a considerable reduction of operation costs and expenses derived from a more efficient organizational structure, and the consolidation of all financial commitments and obligations in a sole entity.

International Briquettes Holding IBH consolidates the financial results of Venprecar, Orinoco Iron, Operaciones RDI, IBMS and Brifer. The work force of these companies, as of June 30, 2005, was of 1,048 workers.

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